

REMARKS

A. **Front Page Of Office Action**

The cover page of the June 8, 2004 office action indicates that claims 1-46 are pending in the application and that claims 1-46 are rejected.

No new matter has been added.

B. **Amendments To The Claims**

Claims 1-65 are pending. Claims 47-65 have been added.

Claim 8 has been amended for clarity. Support for the amendment to claim 8 is found on page 19 lines 27-31.

Claims 21 and 22 are amended to correct grammatical errors.

Claim 33 is amended to correct a typographical error.

Support for new claims 47-58 is found on page 4 lines 8-10 of the specification.

Support for the limitation of a vendor terminal in claims 59-61 is found in the specification at page 5 line 29. Furthermore, at page 7 lines 8-13, the specification describes a vendor terminal as "The first vendor interaction site **630** includes a vendor terminal **632** that is located at, e.g., the check-out counter of a store, a vending machine, a central location shared by several stores, a mobile kiosk at a central location in a trade show, flea market, or street fair, an airline ticket counter, an entrance of a public accommodation such as a ballpark, nightclub, casino, or movie theater, a restaurant, a telephone where sales orders are placed, or even an individual's home computer in the case of Internet transactions."

Support for claims 62-63 is found in Figure 10.

Support for claims 64-65 is found on page 8 lines 16-23.

No new matter has been added.

C. **Rejections**

1. **The Rejections Of Claims 1-32 Under 35 USC 101 Are Improper And Should Be Withdrawn**

Claims 1-32 stand rejected under 35 USC 101 because the claimed invention is directed

to non-statutory subject matter. In support of the rejections, the examiner states that:

In the present application, independent claim 1 recite[s] a method and independent claim 28 recites a system (in “means plus function”) language. Method claim 1 clearly recites a “useful, concrete and tangible result” (“determining a time at which a promotion is to be provided to a consumer”), however the claim recites no structural limitations (i.e., computer implementation), and so it fails the first prong of the test (technological arts). System claim 28 also clearly recites a “useful, concrete and tangible result” however, since the claim is in “means plus function” language, the specification must be consulted to determine the corresponding structure and equivalents thereof:

The plain and unambiguous meaning of paragraph six is that one construing means-plus-function language in a claim must look to the specification and interpret that language in light of the corresponding structure, material, or acts described therein, and equivalents thereof, to the extent that the specification provides such disclosure. Paragraph six does not state or even suggest that the PTO is exempt from this mandate, and there is no legislative history indicating that Congress intended that the PTO should be. Thus, this court must accept the plain and precise language of paragraph six. In re Donaldson, 16 F.3d 1189, 1193, 29 USPQ2d 1845, 1848 (Fed. Cir. 1994).

When one looks to the specification to determine the corresponding structure, or equivalents thereof, for the “means” recited in claim 28, one finds the following. “The present invention, in certain preferred embodiments, provides a method for presenting a selected offer to the associated individuals (i.e. not necessarily computer implemented).”

From this it can be seen that the broadest reasonable equivalent disclosed (“by hand” or “manually transmission”) fails to pass the first prong technological arts test and therefore recites non-statutory subject matter under 35 USC 101. [Office

action mailed June 8, 2004 page 5 lines 5-28.]

In response, the applicant points out that the examiner has misapplied the law respecting "technological arts." In point of fact, claim 1 is specifically limited to a computer implemented method, reciting "A computer-implemented method...." Moreover, claims 28-32 are system claims, and therefore define subject matter clearly excluding operation by hand.

In addition, the examiner has made an improper factual assertion. The examiner asserts that claim 1 recites no structural limitations such as computer implementation. However, as pointed out in the previous paragraph, claim 1 is specifically limited to a computer implemented method.

Therefore, the examiner's conclusion that the "broadest reasonable interpretation ... [is a method performed] by hand ...," is clearly incorrect. The term "by hand" in this context means without use of any technological aids, such as tools. Clearly, using a computer is not what is meant "by hand".

Furthermore, the applicant hereby disclaims any system functioning solely without use of a computer system; thus, claims 28-32 are clearly statutory. In addition, the specification contains no embodiment implemented "by hand."

Moreover, the examiner's conclusion is clearly inconsistent with the Board of Patent Appeals and Interference's published decision, Ex parte Bowman, 2001 Pat App. Lexis 46 (BPAI June 12, 2001)¹. Therein, the panel held that the technological arts test was only applicable if the specification and claims did not limit the claimed invention to being computer implemented, stating in pertinent part that, emphasis of the pertinent passage added:

With respect to the rejection under 35 U.S.C. § 101, the examiner asserts that the claimed invention does not fall within the technological arts because no form of technology is disclosed or claimed [answer, page 3]. *** The examiner responds that ... appellant has not recited the use of a computer in either the specification or the claims. The examiner finds that neither the specification nor

¹ Attachment 1 is a copy of Ex parte Bowman, 2001 Pat App. Lexis 46 (BPAI June 12, 2001).

the claims discuss the use of any technology with respect to the claimed invention [answer, pages 5-6].

We agree with the examiner. Appellant has carefully avoided tying the disclosed and claimed invention to any technological art or environment. As noted by the examiner, the disclosed and claimed invention is directed to nothing more than a human making mental computations and manually plotting the results on a paper chart [answer, page 5]. The *Examination Guidelines for Computer-Related Inventions are not dispositive of this case because there is absolutely no indication on this record that the invention is connected to a computer in any manner.* *** In summary, we find that the invention before us is nothing more than an abstract idea which is not tied to any technological art, environment, or machine, and is not a useful art as contemplated by the Constitution of the United States. The physical aspects of claim 1, which are disclosed to be nothing more than a human manually drawing a chart and plotting points on this chart, do not automatically bring the claimed invention within the technological arts. For all the reasons just discussed, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. § 101. [Ex parte Bowman, 2001 Pat. App. Lexis 46 (BPAI June 12, 2001).]

Thus, claims 1-32 are useful and therefore constitute patentable subject matter within the meaning of 35 USC 101. Therefore, the rejections should be withdrawn.

2. The Rejections Of Claims 1-5, 7, 9-21, 23-36, 39-42, And 44-46 Under 35 USC 102 As Being Anticipated By Swix et al. (USP 6,718,551) Are Improper And Should Be Withdrawn

Claims 1-5, 7, 9-21, 23-36, 39-42, and 44-46 stand rejected under 35 USC 102(e) as being anticipated by Swix et al. (6,718, 551 hereinafter Swix).

In reply, the applicant submits for the following reasons below that the rejections of claims 1-5, 7, 9-21, 23-36, 39-42, and 44-46 under 35 USC 102(e) are improper and should be

withdrawn.

Generally, Swix is directed towards providing advertisements based upon analysis of consumer rental of video material and consumer responses to survey questions. Swix is not directed towards timing, and timing relating to time of receipt by consumers of promotions.

The specification of this application discloses that a promotion refers to any offer, advertisement, flier, newsletter, incentive, coupon, commercial, recipe, and/or communication for promoting one or more goods and/or services. See page 4 lines 8-10.² Furthermore, the ordinary meaning of the word promotion as found in the American Heritage Dictionary is encouragement of the progress, growth, or acceptance of something; furtherance or advertising; publicity.³

i. The 35 USC 102(e) Rejection Of Claims 1-3, 7, 9-15, 19-21, 23-25, 27-36, 39-42, 45-46 Are Improper And Should Be Withdrawn

In support of the 35 USC 102(e) rejections of claims 1-3, 7, 9-15, 19-21, 23-25, 27-36, 39-42, 45-46, the examiner states that:

With respect to claims 1-3, 7, 9-15, 19-21, 23-25, 27-36, 39-42, 45-46 Swiss [sic] teaches a computer implemented method (Abstract). Receiving identification information from a consumer (Figure 2, 210); identifying, based upon said received identification information, one or more parameters related to promotions received by said consumer (Figure 3, 302); determining a time at which promotions is [sic] to be provided based upon said identified one or more parameters related to promotions received by said consumer (col. 10, lines 52 to col. 11, lines 1-3). [Office Action mailed June 8, 2004 page 6 lines 10-16, interpolation supplied.]

² Attachment 2 is page 4 of the specification.

³ Attachment 3 is a copy of the definition of promotion as defined by the American Heritage Dictionary of the English Language.

In response, the applicant respectfully traverses these rejections because they are not supported by substantial evidence or valid reasoning.

The examiner's rejections should be withdrawn because Swix does not disclose either the claimed method of or means for "receiving identification information from a customer; identifying, based upon said received identification information, one or more parameters related to promotions received by said consumer; and determining a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer," as is claimed in independent claims 1 and 28.

Furthermore, Swix does not disclose a system comprising either "a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record of characteristics of said consumer" or "a processor...to determine said promotion time at least in part based upon said record of characteristics of said consumer contained in said consumer characteristic record," as recited by independent claim 33.

For the reasons explained below Swix does not anticipate claims 1-3, 7, 9-15, 19-21, 23-25, 27-36, 39-42, 45-46. First, Swix does not disclose identifying, based upon said received identification information, one or more parameters related to promotions received by said consumer. Second, Swix does not disclose determining a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer. Finally, Swix does not disclose the limitations of dependent claims 2, 3, 7, 9-15, 19-21, 23-25, 27, 29-32, 34-36, 39-42, and 45-46 or the limitations of independent claim 33.

The reasons that the examiner's rejection should be withdrawn are discussed below.

a. Swix Does Not Disclose Identifying, Based Upon Said Received Identification Information, One Or More Parameters Related To Promotions Received By Said Consumer

In rejecting claims 1-3, 7, 9-21, 23-36, 39-42, and 44-46 under 35 USC 102(e), the examiner relies on "Figure 3, 302" as disclosing the "identifying, based upon said received identification information, one or more parameters related to promotions received by said consumer," recited by claim 1.

The Swix specification twice references screen 302 in column 10 lines 40-43 and in column 10 lines 58-63.

Column 10 lines 40-43 in Swix states that:

In screen 302, the subscriber views the main menu having general viewing categories, such as movies, sports events, children's programs, and adult programs. [column 10 lines 40-43.]

Column 10 lines 58-63 in Swix states that:

Thus, for example, in screen 302, the present invention could display a bit map or video movie trailer advertisement enticing the subscriber to look further into the menu options but not necessarily targeting a specific customer profile or demographic group. [column 10 lines 58-63.]

In reply, the applicant submits that Figure 3 screen 302 and the text in Swix that describes screen 302 do not disclose identifying parameters related to promotions received by a consumer. Therefore, Swix also does not anticipate the limitations defined by the recitation “identifying, based upon said received identification information, one or more parameters related to promotions received by said consumer” as recited by independent claims 1 and 28.

Furthermore, Swix does not anticipate the recitations in independent claim 33 of either “a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record of characteristics of said consumer” or “a processor configured ...to determine said promotion time at least in part based upon said record of characteristics of said consumer contained in said consumer characteristic record.”

Swix discloses compiling event data, based on subscriber selections, and combining this data with other data in various databases to shape a subscriber's consumer profile. See column 8 lines 55-61. Furthermore, Swix teaches that the advertisements do not necessarily target specific customer profiles or demographic groups. See column 10 lines 61-63. However, Swix does not

teach identifying parameters based on promotions received by the consumer. In addition, Swix does not disclose that the data used to shape a subscriber's customer profile includes information collected based upon a consumer's response to a promotion. Also, Swix does not disclose identifying parameters related to promotions received by a consumer. Swix also does not disclose outputting a targeted promotion at a promotion time based in part upon the record of characteristics of the consumer. Therefore the rejections of claims 1, 28, and 33 are improper and should be withdrawn.

Because claims 2-3, 7, 9-15, 19-21, 23-25, 27, 29-32, 34-36 and 45-46 depend either directly or indirectly from claims 1, 28, and 33 the rejections of claims 2-3, 7, 9-15, 19-21, 23-25, 27, 29-32, 34-36 and 45-46 are also improper and should be withdrawn.

b. Swix Does Not Disclose Determining A Time At Which A Promotion Is To Be Provided Based Upon Said Identified One Or More Parameters Related To Promotions Received By Said Consumer.

In rejecting claims 1-3, 7, 9-21, 23-36, 39-42, and 44-46, the examiner relies on column 10 line 52 through column 11 line 3 of Swix for disclosing the claimed limitation of "determining a time at which promotions is to be provided based upon said identified one or more parameters related to promotions received by said consumer."

Column 10 line 52 to column 11 line 3 of Swix states that:

During this interactive session, the navigator records each subscriber selection as event data. In the preferred embodiment, the navigator uploads the latest event data to merge processor 100 every time a new targeted advertisement must be inserted. In this manner, profile processor 100 has the latest event data, along with the data from other databases, to assess a viewer's current interests. Thus, for example, in screen 302, the present invention could display a bit map or video movie trailer advertisement enticing the subscriber to look further into the menu options but not necessarily targeting a specific customer profile or

demographic group. Then, once the subscriber has chosen "movies" and moved to screen 304, the present invention could display a bit map or video advertisement for popcorn knowing that this particular subscriber has watched several movies in the last month (from the event data) and that the subscriber indicated a liking for popcorn in a recent consumer spending survey (from survey database 126).
[column 10 line 52 to column 11 line 3.]

In reply, the applicant submits that the passage that the examiner cited in Swix does not anticipate the limitations defined by the recitation "determining a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer," as recited in independent claims 1 and 28. Moreover, nothing else in Swix anticipates determining a time at which a promotion is to be provided based upon parameters related to promotions received by the consumer.

Furthermore, Swix does not anticipate the recitations in independent claim 33 of either "a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record of characteristics of said consumer" or "a processor configured ...to determine said promotion time at least in part based upon said record of characteristics of said consumer contained in said consumer characteristic record."

Swix discloses an invention that records the viewing selections of a subscriber, compiles the viewing selection data along with other available data, such as questionnaire data, analyzes the data to formulate a customer profile, matches the customer profile to a demographic group and displays for the customer a bit map or video stream advertisement that is customized to the customer or the customer's demographic group. See column 6 lines 16-24.

Specifically, Swix discloses sending targeted advertisements to a customer based upon event data and surveys that the consumer has filled out. See column 10 line 67 to column 11 line 2. Swix defines event data as the viewer selections. See column 7 lines 7-8. Swix discloses that the system components deliver the targeted advertisements in two ways: (1) by displaying bit map or video advertisements during an interactive television session as part of menu screens or (2) displaying bit map or video stream advertisements as a part of a standard video broadcast.

See Column 9 lines 45-54. Swix discloses that the commercials proceed and follow the movie in a movie presentation. See column 12 lines 49-50.

However, Swix does not disclose determining a time to provide a promotion based upon identified parameters related to promotions received by the customer. Because Swix delivers the promotion in real time, Swix does not disclose determining a time to provide the promotion based upon identified parameters related to promotions received by the customer.

Moreover, because Swix does not disclose that the data used to shape a subscriber's customer profile includes information collected based upon a consumer's response to a promotion, Swix cannot disclose the timing at which a promotion is to be provided based upon a parameter related to promotions received by a consumer.

Swix does not disclose or generate determining a time to provide a promotion based upon identified parameters related to promotions received by the customer. Moreover, Swix does not disclose targeted promotions based in part upon record of characteristics of the consumer. Therefore, the rejections of claims 1, 28, and 33 are improper and should be withdrawn. Because claims 2-3, 7, 9-15, 19-21, 23-25, 27, 29-32, 34-36, and 45-46 depend either directly or indirectly from claims 1, 28, and 33, the rejections of claims 2-3, 7, 9-15, 19-21, 23-25, 27, 29-32, 34-36, and 45-46 are improper and should be withdrawn.

c. The Examiner Has Not Shown, And Swix Does Not Disclose, The Limitations Of Dependent Claims 2, 3, 7, 9-15, 19-21, 23-25, 27, 29-32, 34-36, 39-42, And 45-46 And Independent Claim 33.

The examiner has not presented a prima facie case for the 35 USC 102(e) rejection for claims 2-3, 7, 9-15, 19-21, 23-25, 27, 29-36, 39-42 and 45-46. The examiner has only presented a rejection addressing the method of claim 1. See the office action mailed June 8, 2004 lines 10-16. The examiner (or the Board, if the Board is the first body to raise a particular ground for rejection) "bears the initial burden . . . of presenting a prima facie case of unpatentability." *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). Thus, the examiner has not met the burden for showing a prima facie case of anticipation by Swix of claims 2-3, 7, 9-15,

19-21, 23-25, 27, 29-36, 39-42, and 45-46.

Furthermore, “a claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” Verdegaal Bros. v. Union Oil Co. Of California, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Each and every element of claims 2-3, 7, 9-15, 19-21, 23-25, 27, 29-36, 39-42, and 45-46 is not found, either expressly or inherently described, in Swix. Each claim is discussed below.

Swix does not disclose the recitation in claim 2 of “wherein said one or more parameters related to said promotions received by said consumer relate to a packaging of said received promotions received by said consumer.” Therefore, the rejection of claim 2 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 3 of “wherein said one or more parameters related to said promotions received by said consumer relate to a time at which said promotions received were received by said consumer.” Therefore, the rejection of claim 3 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 7 of “wherein said one or more parameters related to said promotions received by said consumer relate to a value of said promotions received.” Therefore, the rejection of claim 7 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 9 of “wherein said one or more parameters related to said promotions received by said consumer relate to a provision method of said promotions received.” Therefore, the rejection of claim 9 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 10 of “wherein said one or more parameters related to said promotions received by said consumer relate to a other purchases necessary to exercise said promotions received.” Therefore, the rejection of claim 10 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 11 of “ wherein said one or more parameters related to said promotions received by said consumer relate to a nature of said promotions received.” Therefore, the rejection of claim 11 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 12 of “wherein said one or more parameters related to said promotions received by said consumer relate to a promoter who is the source of

said promotions received.” Therefore, the rejection of claim 12 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 13 of “wherein said step of identifying one or more parameters comprises determining if said consumer is appropriate for said promotion, said promotion being predetermined.” Therefore, the rejection of claim 13 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 14 of “further comprising a step of providing said promotion at said determined time to said identified consumer.” Therefore, the rejection of claim 14 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 15 of “further comprising a step of using said received identification information to identify said consumer.” Therefore, the rejection of claim 15 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 19 of “receiving a predetermined promotion from a promoter, said determined time being for said predetermined promotion.” Therefore, the rejection of claim 19 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 20 of “wherein said step of determining said time at which said promotion is to be provided comprises determining a number of promotions recently received by said consumer.” Therefore, the rejection of claim 20 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 21 of “wherein said number of promotions recently received by said consumer comprising promotions in a particular industry recently received by said consumer.” Therefore, the rejection of claim 21 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 23 of “wherein said step of determining said time at which said promotion is to be provided comprises determining a value of said promotions recently received by said consumer.” Therefore, the rejection of claim 23 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 24 of “wherein said step of determining said time at which said promotion is to be provided comprises determining an importance of said

provision of said promotion to a promoter.” Therefore, the rejection of claim 24 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 25 of “charging a promoter according to said importance of said provision of said promotion.” Therefore, the rejection of claim 25 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 27 of “determining promotions recently received by said consumer; determining at least one of a demographic and a purchase history characteristic of said consumer; determining an importance of said provision of said promotion to a promoter; and fusing said determined promotions recently received, said at least one of a demographic and a purchase history characteristic, and said importance of said provision into one parameter related to said time at which said promotion is to be provided.” Therefore, the rejection of claim 27 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 29 of “wherein said one or more parameters of related to promotions received by said consumer comprising at least one of a timing, an industry, a class, a type, a packaging, a validity date, a valid location, other products that must be purchased to exercise, and a value of said promotions received by said consumer.” Therefore, the rejection of claim 29 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 30 of “means for providing said promotion at said time determined by said means for determining to said consumer identified by said means for identifying.” Therefore, the rejection of claim 30 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 31 of “means for selecting a targeted promotion from a plurality of potential promotions based upon said one or more characteristics of said consumer, said time determined by said means for determining being for said targeted promotion.” Therefore, the rejection of claim 31 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 32 of “means for receiving a predetermined promotion from a promoter, said time determined by said means for determining being for said predetermined promotion.” Therefore, the rejection of claim 32 is improper and should be withdrawn.

Swix does not disclose the either recitation in claim 33 of “a promotion output device

configured to output a targeted promotion at a promotion time based at least in part upon said record characteristics of said consumer” or “a processor configured ...to determine said promotion time at least in part based upon said record or characteristics of said consumer contained in said consumer characteristic record.” Therefore, the rejection of claim 33 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 34 of “said promotion output device comprises a network interface; and said promotion comprises an electronic signal.” Therefore, the rejection of claim 34 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 35 of “a received promotions record configured to contain a record related to received promotions received by said consumer.” Therefore, the rejection of claim 35 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 36 of “wherein said received promotions record comprises a received promotion value record.” Therefore, the rejection of claim 36 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 39 of “wherein said received promotions record comprises a received promotion product class record.” Therefore, the rejection of claim 39 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 40 of “wherein said received promotions record comprises a received promotion industry record.” Therefore, the rejection of claim 40 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 41 of “wherein said received promotions record comprises a received promotion provision method record.” Therefore, the rejection of claim 41 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 42 of “wherein said received promotions record comprises a received promotion packaging record.” Therefore, the rejection of claim 42 is improper and should be withdrawn.

Swix does not disclose the recitation in claim 45 of “a promotion receiver configured to receive a predetermined promotion from a promoter, said promotion time determined by said processor being for said predetermined promotion.” Therefore, the rejection of claim 45 is

improper and should be withdrawn.

Swix does not teach the recitation in claim 46 of “A computer readable medium containing program instructions for execution on a computer system, which when executed by the computer system, cause the computer system to perform the method recited in any one of claims 1 to 27.” Therefore, the rejection of claim 46 is improper and should be withdrawn.

ii. The 35 USC 102(e) Rejection Of Claims 4 and 5 Are Improper And Should Be Withdrawn

Claims 4 and 5 are rejected under 35 USC 102(e) as being anticipated by Swix. The examiner asserts that:

With respect to claims 4 5, Swix further teaches that one or more parameters related to said promotions received by said consumer relate to a product class/product industry of said promotions received by said consumer (Figure 3). [Office Action mailed June 8, 2004 page 6 lines 17-19.]

In response, the applicants submit that the rejections of claims 4 and 5 are improper for at least the same reasons that the rejection of claim 1 is improper.

Furthermore, the applicants submit that Figure 3 does not disclose “a method wherein one or more parameters related to said promotions received by consumer relate to a product class of promotions received by the consumer,” as recited in claim 4 or “a method wherein one or more parameters related to said promotions received by consumer relate to a product industry of promotions received by the consumer,” as recited in claim 5.

In Figure 3, Swix shows a progressive menu screens of a typical interactive television system. Swix teaches that the navigator records each subscriber selection as event data. See column 10 lines 52-53. Swix also discloses that once the subscriber has chosen ‘movies’ and moved to screen 304, Swix’s invention could display a bit map or video advertisement for popcorn knowing that this particular subscriber has watched several movies in the last month (from the event data) and that the subscriber indicated a liking for popcorn in a recent consumer

spending survey (from survey database 126). See column 10 line 63 to column 11 line 2. Thus, Swix teaches a method of advertising based on past selections a consumer has made and on surveys that the consumer has filled out.

However, Swix does not teach a parameter related to a promotion received by a consumer which relates to a product class or product industry of promotions received by the consumer. As Swix does not teach the disclosed invention in claims 4 and 5, the rejection is improper and should be withdrawn.

iii. The 35 USC 102(e) Rejection Of Claim 16 Is Improper And Should be Withdrawn

Claim 16 is rejected under 35 USC 102(e) as being anticipated by Swix. In support of this rejection, the examiner states that:

With respect to claim 16, Swix further teaches selecting a targeted promotion from a plurality of potential promotions based upon said one or more characteristics of said consumer, said determined time being for said targeted promotion (col. 12, lines 22-90 [sic]). [Office Action mailed June 8, 2004 page 6 lines 20-23; interpolation supplied.]

In rejecting claim 16, the examiner relies on Swix in column 12 lines 22-60, which states that:

An example of the video stream playlist method of the present invention is a pay-per-view movie service that shows commercials or movie trailers before and after a feature presentation. In this case, merge processor 100 would contain an event list of every viewing selection made by the subscriber up to the ordering of the movie. The event list could include data such as movie previews watched, movies watched, television programming watched, products ordered via interactive television, choices from interactive menus, commercials viewed, and

commercials turned off. The historical extent of the data would depend on how long the present invention was active on the subscriber's television. In addition to event data, the media service provider would also have subscriber account information such as billing.

As the subscriber progresses through the pay-per-view menu screens, events (subscriber selections) are stored in the set-top box and periodically uploaded to the server. The server collects the data and organizes it into event lists. For example, the list may show that the viewer watched a movie trailer for a movie about white water rafting, then viewed an advertisement for outdoor adventure gear, then watched a movie trailer about a wilderness hiking disaster, and finally ordered the feature movie presentation about a wilderness survival competition.

According to the present invention, when the viewer orders the feature movie presentation, the pay-per-view service prepares to send the movie along with the commercials that will precede and follow the movie. At this point, profile processor 104 analyzes the event data and additional data, classifies the viewer in a certain demographic group, and delivers a commercial targeted for that group. As an example, given the viewer's interest in outdoor adventures, a suitable advertisement would be a commercial for a sport utility vehicle with specialized accessories that carry outdoor adventure gear. The present invention would deliver this advertisement as a full screen video stream played prior to or after the showing of the feature movie presentation. [Swix column 12 lines 22 - 60.]

In reply, the applicant submits that at least for the reasons the rejection of claim 1 is improper, the rejection of claim 16 is improper.

Furthermore, the applicant submits that the passage that the examiner cited in Swix does not disclose the limitations defined by the recitation "selecting a targeted promotion from a plurality of potential promotions based upon said one or more characteristics of said consumer, said determined time being for said targeted promotion," as recited by claim 16.

The passage that the examiner cited in Swix is directed to classifying the viewer in a certain demographic group and delivering commercials targeted for that group, and it does not disclose determining the timing of a targeted promotion. In the cited passage, Swix does not disclose varying the timing of its promotion. It discloses delivering advertisements as a full screen video stream played prior to or after the showing of a feature movie presentation.

Because Swix does not disclose the subject matter defined by claim 16, the rejection of claim 16 is improper and should be withdrawn.

iv. The 35 USC 102(e) Rejection Of Claims 17 And 18 Are Improper And Should Be Withdrawn

Claims 17 and 18 are rejected under 35 USC 102(e) as being anticipated by Swix. In support of the examiner's rejection, the examiner states that:

With respect to claims 17-18, Swix further teaches selecting said targeted promotion comprises matching said one or more characteristics of said consumer to a desired consumer profile (col. 12, lines 22-60). [Office Action mailed June 8, 2004 page 6 lines 24-26.]

In response, the applicants submit that for at least the reasons the rejection of claim 1 is improper, the rejections of claims 17 and 18 are improper.

Furthermore, Swix does not disclose a method wherein a "desired consumer profile originates from a promoter," as recited by claim 18. The examiner cites to column 12 lines 22-60 for disclosing this recitation. Swix discloses that the consumer profile originates from the pay-per-view service. See column 12 line 48. However, Swix does not teach that the consumer profile originates from a promoter. Therefore, the rejection of claim 18 is improper and should be withdrawn.

Thus, the rejections of claims 17 and 18 are improper and should be withdrawn.

v. **The 35 USC 102(e) Rejection of Claims 26 And 44 Are Improper And Should Be Withdrawn**

Claims 26 and 44 are rejected as under 35 USC 102(e) as being anticipated by Swix. In support of the examiner's rejection, the examiner asserts that:

With respect to claims 26 and 44, Swix further teaches determining said time at which said promotion is to be provided comprises determining at least one of a demographic and a purchase characteristic of said consumer (col. 12, lines 22-60). [Office action mailed June 8, 2004 page 6 line 8 through page 7 line 5.]

In reply, the applicant submits that for at least the reasons the rejection of claim 1 is improper, the rejection of claims 26 and 44 are improper.

Furthermore, Swix does not disclose either a method or a system including the step of "determining said time at which said promotion is to be providing comprises determining at least one of a demographic and a purchase history characteristic of said consumer." The examiner cites to Swix column 12 lines 22-60 for disclosing this recitation. Swix teaches there classifying the viewer in a certain demographic group, and delivering a commercial targeted for that group. However, Swix does not disclose varying the timing of a targeted promotion based upon the demographic and purchase history of the consumer.

Therefore, the rejections of claims 26 and 44 are improper and should be withdrawn.

3. **The Rejections Of Claims 6, 8, 22, 37, 38, And 43 Under 35 USC 103 As Being Obvious In View Swix Are Improper**

Claims 6, 8, 22, 37, 38, and 43 stand rejected under 35 USC 103(a) as being unpatentable over Swix. In support of the rejections the examiner states that:

Claim 6, 22, 38 further recites that the promotions received by said consumer relate to a location where the promotions can be exercised by the consumer. Official notice is taken that it is old and well known for promotions to

have a location in which it can be redeemed in order to promote patronage of an establishment. It would have been obvious a person of ordinary skill in the art at the time of Applicant's invention to have included the promotions received by said consumer relate [sic] to a location where the promotions can be exercised by the consumer in order to obtain the above mentioned advantage.

Claims 8 and 37 further recites [sic] a promotion validity date. Official notice is taken that it is old and well known for offers to have a validity date in which the offers can be redeemed in order allow promoters/manufacture to better manage the offers. It would have been obvious to a person of ordinary skill in the art at the time of Applicant's invention to have included recites [sic] a promotion validity date in order to obtain the above mentioned advantage.

Claim 43 further recites that the promotions have a time of receipt record. Official notice is taken that it is old and well known in the computer related arts to time stamp information received in order to keep track of when the information was received. It would have been obvious to a person of ordinary skill in the art at the time [of] Applicant's invention to have included [a] promotions time receipt record in order to obtain the above mentioned advantage. [Office action mailed June 8, 2004 page 7 line 15 to page 8 line 10; interpolation supplied.]

In response, the applicant respectfully traverses these rejections because they are not supported by substantial evidence or valid reasoning. The rejections should be withdrawn for the following reasons.

i. The 35 USC 103 Rejections of Claims 6, 27, 38 Are Improper And Should Be Withdrawn

As per claim 6, the examiner takes official notice that it is allegedly old and well known for a promotion to have a location in which it can be redeemed in order to promote patronage of an establishment. However, the examiner's official notice does not address the limitations of claim 6. Specifically, claim 6 defines a method of determining a time at which a promotion will

be provided based upon a location where the promotion received. The examiner's official notice does not address the step of "determining a time at which a promotion is to be provided," as recited in claim 6. Thus, the examiner has not presented a prima facie case of obviousness, and therefore the rejection should be withdrawn.

As per claim 22, the examiner takes official notice that it is allegedly old and well known for promotions to have a location in which it can be redeemed in order to promote patronage of an establishment. However, the examiner's official notice does not address the limitations of claim 22. Specifically, claim 22 defines a method of determining a number of promotions exercisable at a particular location that were recently received by said consumer. The examiner's official notice does not address the step of "determining a number of promotions recently received by said consumer exercisable at a particular location that were recently received by said consumer," as recited in claim 22. Thus, the examiner has not presented a prima facie case of obviousness, and the rejection should be withdrawn.

As per claim 38, the examiner takes official notice that it is old and well known for promotions to have a location in which it can be redeemed in order to promote patronage of an establishment. However, the examiner's official notice does not address the limitations of claim 38. Specifically, claim 38 defines a system wherein the received promotions record comprises a received promotion valid location code. Neither Swix nor the examiner's official notice teaches a system comprising "a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record characteristics of said consumer" and "a processor configured ...to determine said promotion time at least in part based upon said record or characteristics of said consumer contained in said consumer characteristic record" and "said received promotions record comprises a received promotion valid location record," as defined by claim 38. Thus, the examiner has not presented a prima facie case of obviousness, and therefore the rejection should be withdrawn.

ii. The 35 USC 103 Rejections Of Claims 8 and 37 Are Improper And Should Be Withdrawn

The examiner takes official notice that it is allegedly old and well known for offers to

have a validity date prior to which the offers can be redeemed in order allow promoters/manufacture to better manage the offers. However, the examiner's official notice does not address the limitations of claim 8. Specifically, claim 8 defines determining a time at which a promotion is to be provided based upon validity dates of previously provided promotions. The examiner's official notice also does not address the step of "determining a time at which a promotion is to be provided based upon a validity date of said promotions received," as defined by claim 8. Thus, the examiner has not presented a prima facie case of obviousness, and therefore the rejection should be withdrawn.

Moreover, claim 8 has been amended to clarify that said determining is based upon at least one validity date of promotions previously received by said consumer.

As per claim 37, the examiner takes official notice that it is allegedly old and well known for offers to have a validity date in which the offers can be redeemed in order allow promoters/manufacture to better manage the offers. However, the examiner's official notice does not address the limitations of claim 37. Specifically, claim 37 defines a system wherein the received promotions record comprises a received promotion validity date record. Neither Swix nor the examiner's official notice teaches a system comprising "a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record characteristics of said consumer" and "a processor configured ...to determine said promotion time at least in part based upon said record or characteristics of said consumer contained in said consumer characteristic record" and "said received promotions record comprises a received promotion validity date record," as defined by claim 37. Thus, the examiner has not presented a prima facie case of obviousness, and therefore the rejection should be withdrawn.

iii. The 35 USC 103 Rejection Of Claim 43 Is Improper And Should Be Withdrawn

As per claim 43, the examiner takes official notice that it is allegedly old and well known in the computer related arts to time stamp information received in order to keep track of when the information was received. However, the examiner's official notice does not address the

limitations of claim 43. Specifically, the examiner's official notice does not suggest storing this data in a consumer characteristics record. Claim 43 defines a system wherein consumer characteristic record includes a received promotions record which comprises received promotions time of receipt data.

The examiner's official notice also does not address a system comprising "a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record characteristics of said consumer" and "a processor configured ...to determine said promotion time at least in part based upon said record or characteristics of said consumer contained in said consumer characteristic record" and "said received promotions record comprises a received promotion time of receipt record," as defined in claim 43. Thus, the examiner has not presented a prima facie case of obviousness, and therefore the rejection should be withdrawn.

iv. The Official Notice Taken By The Examiner With Regard To Claims 6, 8, 22, 37, 38, And 43 Is Improper And The Rejections Supported Thereby Should Be Withdrawn For These Additional Reasons

The official notice taken by the examiner with respect to a promotion having a location in which it can be redeemed in order to promote patronage of an establishment, which is recited by claims 6, 22, and 38 is improper. The official notice taken by the examiner with respect to a promotion validity date, which is recited by claims 8 and 37, is improper. The official notice taken by the examiner with respect to time stamp information received in order to keep track of when the information was received, which is recited by claim 43, is improper.

Each reason is discussed below.

First, the applicants submit that the examiner's reliance on official notice is improper, since it forms the basis for the examiner's obviousness conclusion. See Barry, "Did You Ever Notice? Official Notice in Rejections" 81 JPTOS 129 (1999).⁴ Therefore, the rejections of claims 6, 8, 22, 37, 38, and 43 relying upon the official notice are improper and should be

⁴ Attachment 4 is a copy of Barry, "Did You Ever Notice? Official Notice in Rejections" 81 JPTOS 129 (1999).

withdrawn.

Second, the examiner's reasoning for taking official notice is flawed. The applicants submit that noticing that it is old and well known: (1) "for promotions to have a location in which it can be redeemed in order to promote patronage of an establishment", "for offers to have a validity date in which the offers can be redeemed in order [to] allow promoters/manufactur[er]s to better manage the offers", and "in the computer related arts to time stamp information received in order to keep track of when the information was received" are not appropriate circumstances for reliance upon official notice. In addressing this topic, MPEP 2144.03(A) states that:

Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. As noted by the court in In re Ahlert, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970), the notice of facts beyond the record which may be taken by the examiner must be "capable of such instant and unquestionable demonstration as to defy dispute" (citing In re Knapp Monarch Co., 296 F.2d 230, 132 USPQ 6 (CCPA 1961)).

By taking official notice, the examiner asserts that certain facts are well-known or are common knowledge in the art and are capable of instant and unquestionable demonstration. The applicants dispute these assertions because these facts are not capable of instant and unquestionable demonstration as being well-known. Therefore, the rejections of claims 6, 8, 22, 37, 38, and 43 relying upon the official notice are improper and should be withdrawn.

v. There Is No Teaching In Swix Suggesting Claims 1 And 33

The examiner has not rejected independent claims 1 and 33 under 35 USC 103 as being obvious in view of Swix.

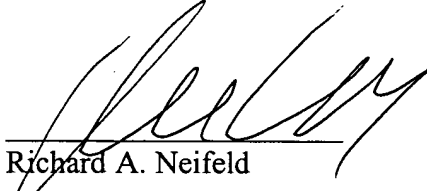
Claim 1 defines identifying one or more parameters related to promotions received by a consumer and determining a time at which a promotion is to be provided based on the identified

parameter related to promotions received by the consumer. As noted above, the examiner has not presented and Swix does not suggest those steps. Therefore, Swix provides no basis to reject claim 1 under 35 USC 103.

Claim 33 defines a system with a promotion output device configured to output a targeted promotion at a promotion time based in part upon record characteristics of a consumer and a processor configured to use the received consumer identification information to identify a consumer using stored consumer identification information, and determine a promotion time based upon the record characteristics of the consumer contained in the consumer characteristic record. The examiner has not presented and Swix does not suggest those steps. Therefore, Swix provides no basis to reject claim 33 under 35 USC 103.

Respectively Submitted,

10/7/04
Date


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Attachment 1

LEXSEE 2001 PAT APP. LEXIS 46

Ex parte CLEMENT W. BOWMAN

Appeal No. 1999-0583

Application 08/418,152

Board of Patent Appeals and Interferences

2001 Pat. App. LEXIS 46

June 12, 2001, Decided

[*1]

Before JERRY SMITH, DIXON, and BLANKENSHIP, Administrative Patent Judges.

OPINIONBY: SMITH

OPINION:

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

ON BRIEF

JERRY SMITH, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal under *35 U.S.C. § 134* from the examiner's rejection of claims 1-18, which constitute all the claims in the application. An amendment after final rejection was filed on November 24, 1997, but was denied entry by the examiner.

The disclosed invention pertains to a method of evaluating an intangible asset of interest.

Representative claim 1 is reproduced as follows:

1. A method of evaluating an intangible asset of interest, comprising the steps of:

establishing first and second variables related to the value of said intangible asset of interest;

establishing a series of performance criteria statements probative of the value of said first and second variables;

scoring each of said performance criteria statements;

summing scores to generate first and second total scores based upon the extent to which individual statements [*2] accurately describe said intangible asset of interest;

transforming physical media into a chart having a first axis relating to said first variable and a second axis relating to said second variable;

physically plotting a point on said chart, said point being located at coordinates corresponding to said first and second total scores, respectively, and,

using said chart in making at least one decision regarding the value of said intangible asset of interest.

The examiner relies on the following reference:

Robert R. Blake et al. (Blake), *The Managerial Grid*, Gulf Publishing Company, 1994, page 10.

Claims 1-18 stand rejected under 35 U.S.C. § 101 as being directed to nonstatutory subject matter. Claims 1-18 also stand rejected under 35 U.S.C. § 112, first paragraph, as being based on an inadequate disclosure. Finally, claims 1-18 stand rejected under 35 U.S.C. § 103 as being unpatentable over the teachings of Blake.

Rather than repeat the arguments of appellant or the examiner, we make reference to the brief and the answer for the respective details thereof.

OPINION [*3]

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of obviousness relied upon by the examiner as support for the prior art rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellant's arguments set forth in the brief along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

It is our view, after consideration of the record before us, that claims 1-18 are not directed to statutory subject matter. We are also of the view that the disclosure adequately supports the invention of claims 1-18. Finally, it is our view that the evidence relied upon and the level of skill in the particular art would have suggested to one of ordinary skill in the art the obviousness of the invention as set forth in claims 1-18. Accordingly, we affirm.

Appellant has indicated that for purposes of this appeal the claims will all stand or fall together as a single group [brief, page 3]. Consistent with this indication appellant has made no separate arguments with respect to any of the claims on appeal. Accordingly, all the claims [*4] before us will stand or fall together. Note *In re King*, 801 F.2d 1324, 1325, 231 USPQ 136, 137 (Fed. Cir. 1986); *In re Sernaker*, 702 F.2d 989, 991, 217 USPQ 1, 3 (Fed. Cir. 1983). Therefore, we will consider the rejection against independent claim 1 as representative of all the claims on appeal. Only those arguments actually made by appellant have been considered in this decision. Arguments which appellant could have made but chose not to make in the brief have not been considered [see 37 CFR § 1.192(a)].

With respect to the rejection under 35 U.S.C. § 101, the examiner asserts that the claimed invention does not fall within the technological arts because no form of technology is disclosed or claimed [answer, page 3]. Appellant responds by analyzing the claimed invention under "The Examination Guidelines for Computer-Related Inventions" as published by the United States Patent and Trademark Office. Based on these guidelines, appellant argues that the recited method of creating a chart and plotting a point thereon is "physical and has clear real world value" [*5] [brief, page 4]. Appellant also argues that the claimed process clearly results in a physical transformation outside of a computer for which a practical application in the technological arts is either disclosed in the specification or would have been known to a skilled artisan [id., page 6]. The examiner responds that the noted guidelines are inapplicable here because appellant has not recited the use of a computer in either the specification or the claims. The examiner finds that neither the specification nor the claims discuss the use of any technology with respect to the claimed invention [answer, pages 5-6].

We agree with the examiner. Appellant has carefully avoided tying the disclosed and claimed invention to any technological art or environment. As noted by the examiner, the disclosed and claimed invention is directed to nothing more than a human making mental computations and manually plotting the results on a paper chart [answer, page 5]. The Examination Guidelines for Computer-Related Inventions are not dispositive of this case because there is absolutely no indication on this record that the invention is connected to a computer in any manner.

Despite the express language [*6] of 35 U.S.C. § 101, several judicially created exceptions have been excluded from subject matter covered by Section 101. These exceptions include laws of nature, natural phenomena, and abstract ideas. See *Diamond v. Diehr*, 450 U.S. 175, 185, 209 USPQ 1, 7 (1981). We interpret the examiner's rejection as finding that the claimed invention before us is nothing more than an abstract idea because it is not tied to any technological art or environment. Appellant's argument is that the physical (even manual) creation of a chart and the plotting of a point on this chart places the invention within the technological arts.

The phrase "technological arts" has been created to offer another view of the term "useful arts." The Constitution of the United States authorizes and empowers the government to issue patents only for inventions which promote the progress [of science and] the useful arts. We find that the invention before us, as disclosed and claimed, does not promote the progress of science and the useful arts, and does not fall within the definition of technological arts. The abstract idea which forms [*7] the heart of the invention before us does not become a technological art merely by the

recitation in the claim of "transforming physical media into a chart" [sic, drawing or creating a chart] and "physically plotting a point on said chart."

In summary, we find that the invention before us is nothing more than an abstract idea which is not tied to any technological art, environment, or machine, and is not a useful art as contemplated by the Constitution of the United States. The physical aspects of claim 1, which are disclosed to be nothing more than a human manually drawing a chart and plotting points on this chart, do not automatically bring the claimed invention within the technological arts. For all the reasons just discussed, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. § 101.

With respect to the rejection under 35 U.S.C. § 112, the examiner asserts that the claimed invention is not described in the specification in such a way as to enable one skilled in the art to make and/or use the invention. Specifically, the examiner argues that the transforming step of claim 1 is not disclosed [*8] in the specification. According to the examiner, the chart of Figure 3 remains unchanged and is not physically transformed into the chart of Figure 4 [answer, page 4]. Appellant responds that Figure 4 of the application and its corresponding description in the specification support this step [brief, page 8, incorporating argument from amendment after final rejection].

We agree with appellant. Although the record does not reflect exactly what is meant by the step of "transforming physical media into a chart," we are of the view that the examiner's interpretation of transforming the chart of Figure 3 into the chart of Figure 4 is not what this step was intended to cover. We find the claimed step to mean nothing more than transforming physical media (blank paper) into a chart having two axes drawn thereon. Under this interpretation of claim 1, we find that the disclosure of this application supports the claimed invention as required by the first paragraph of 35 U.S.C. § 112. Specifically, the person skilled in this art would be able to make and use the claimed invention based on appellant's disclosure. Therefore, we do not sustain this rejection of [*9] the appealed claims.

With respect to the rejection under 35 U.S.C. § 103, the examiner finds that the chart on page 10 of Blake clearly suggests that scores are established for each criteria statement, and the examiner finds that summing scores to obtain a final score would have been obvious within the meaning of 35 U.S.C. § 103 [answer, pages 4-5]. Appellant argues that the summing of a plurality of scores to generate the first and second total scores which are plotted is not taught or suggested by the applied prior art [brief, page 5, incorporating argument from amendment after final rejection]. Appellant has also offered to further amend the claims, but that issue is not properly before us.

We agree with the examiner. Blake clearly teaches the step of establishing variables related to the value of the asset of interest (concern for production and concern for people). The chart shown on page 10 of Blake represents a transformed physical medium with points physically plotted thereon [(1,1), (9,1), (5,5), (1,9) and (9,9)]. Blake does not explicitly teach the steps of establishing performance criteria statements, [*10] scoring the criteria statements, and summing scores to obtain a total score.

We agree with the examiner that these three steps would have been suggested to the artisan by the chart shown in Blake. The chart in Blake has increasing numbers running along the two axes which suggests that the points to be plotted have quantity. The chart shows several specific points plotted which suggests that the various points on the chart are quantifiable. In order to quantify these points in Blake, the artisan would have recognized that (all) the factors which contribute to the value of the two variables must be identified and quantified, and the presence of these factors in the (intangible) asset under evaluation would have to be detected and summed based on the relative quantifications assigned to each factor. Thus, even though Blake does not specifically disclose that the establishing, scoring and summing steps of claim 1 are to be carried out, the artisan would have recognized the obviousness of performing these steps in order to determine where points should be plotted on the chart in Blake. Therefore, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. § 103. [*11]

In conclusion, we have sustained the examiner's rejections of the appealed claims under 35 U.S.C. § § 101 and 103, but we have not sustained the examiner's rejection under 35 U.S.C. § 112. Therefore, the decision of the examiner rejecting claims 1-18 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

AFFIRMED

CONCURBY: DIXON

CONCUR:

Dixon, Administrative Patent Judge, Concurrence.

I concur with the decision of the majority, but would add the following with respect to the discussion of the rejection under 35 U.S.C. § 101.

The claims fail to recite subject matter within any of the four statutory classes defined by § 101, which authorizes the grant of a patent to "whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" 35 U.S.C. § 101 (1994). Pursuant to its authorization under art. I, § 8, cl. 8, of the United States Constitution to promote the progress of science and useful arts, [*12] Congress has specified the types of subject matter that may be patented in § 101. Patentable subject matter must fall within one of these statutory categories.

Further, I would add that the instant claim 1 has similarity to the format of the invention as recited in claim 1 of *In re Warmerdam*, 33 F.3d 1354, 1357, 31 USPQ2d 1754, 1756 (Fed. Cir. 1994).

1. A method for generating a data structure which represents the shape of [sic] physical object in a position and/or motion control machine as a hierarchy of bubbles, comprising the steps of:

first locating the medial axis of the object and

then creating a hierarchy of bubbles on the medial axis.

But, I note that in *Warmerdam* both a method and apparatus were disclosed in the specification and the present claim 1 was originally filed as "creating" the chart and plotting of a point thereon.

In the Court's decision in *In re Warmerdam*, 33 F.3d at 1358, 31 USPQ2d at 1757 Judge Plager wrote:

despite the oft-quoted statement in the legislative history of the 1952 Patent Act that Congress intended that statutory subject matter "include anything [*13] under the sun that is made by man," S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952), reprinted in 1952 U.S.C.C.A.N. 2394, 2399; H.R. Rep. No. 1923, 82d Cong., 2d Sess., 6 (1952), Congress did not so mandate. Congress included in patentable subject matter only those things that qualify as "any . . . process, machine, manufacture, or composition of matter, or any . . . improvement thereof. . . ." 35 U.S.C. Section 101 (1988). Cf. *In re Alappat*, No. 92-1381, slip op. at 29 [31 USPQ2d 1545] (Fed. Cir. July 29, 1994) (en banc) ("The use of the expansive term "any" in Section 101 represents Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in Section 101 and the other parts of Title 35.") (Emphasis added.)

Here, the Court reinforces that it is the role of Congress to set forth the boundaries of statutory subject matter and not the courts. If Congress intended for "anything under the sun that is made by man" to be patentable/statutory subject matter, then Congress would have included copyrightable materials (e.g., musical/literary [*14] works, maps and charts), into the realm of patentable subject matter. It is clear that Congress did not intend to include everything, so we must assume that there is still some limitation(s) to the spectrum of statutory subject matter under 35 U.S.C. § 101.

But in a subsequent case, *AT & T Corp. v. Excel Communications Inc.*, 172 F.3d 1352, 1355, 50 USPQ2d 1447, 1449-50 (Fed. Cir. 1999), Judge Plager wrote that

The Supreme Court has construed § 101 broadly, noting that Congress intended statutory subject matter to "include anything under the sun that is made by man." See *Diamond v. Chakrabarty*, 447 U.S. 303, 309 [206 USPQ 193] (1980) (quoting S. Rep. No. 82-1979, at 5 (1952); H.R. Rep. No. 82-1923, at 6 (1952)); see also *Diamond v. Diehr*, 450 U.S. 175, 182 [209 USPQ 1] (1981). Despite this seemingly limitless expanse, the Court has specifically identified three categories of unpatentable subject matter: "laws of nature, natural phenomena, and abstract ideas." See *Diehr*, 450 U.S. at 185. [*15] (Emphasis added.)

In *AT & T*, we see a slight variation from the position in *Warmerdam*, but still a recognition that not everything is statutory subject matter. With this recognition that abstract ideas which have not been applied in some manner (to something tangible; within the technological arts; with a computer; in a memory device or medium) to realize a "useful, concrete, and tangible result" (citing *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368,

1374-75, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998)), the Court in *AT & T* found that the claimed process, which the district court "recognized that the claims require the use of switches and computers" (*AT & T* 50 USPQ2d at 1449), was directed to statutory subject matter. The Court went on to find that it does not matter whether the claimed invention is directed to a process or machine and that the scope of 35 U.S.C. § 101 is the same for either claimed invention (since both were disclosed). (*AT & T* 50 USPQ2d at 1451.)

Here, I [*16] find that the prior factual situations may be distinguished with the present disclosed and claimed invention. In the present application, the specification is silent as to the need for any apparatus to carry out the claimed process or to make the ultimate decision regarding the value of the intangible asset. I note that the only remnant of structure to evidence the application of the abstract idea may be gleaned impliedly from originally filed claim 1 which stated "generating first and second total scores . . ." which was amended to recite "summing scores to generate first and second total scores . . ." Appellant argued in the amendment (paper no. 8) filed March 27, 1997 at page 3 that there is "post-solution activity" and "pre-solution activity," but appellant does not overtly state or argue that the disclosed or claimed invention is computer implemented or in any way involved with some application of the abstract idea beyond the creation of a chart on a physical medium and plotting of a point thereon. This I find to be no more than a mere recordation of an idea in the abstract which I would equate to the affixation in a tangible medium of that idea which has been devised separate [*17] and distinct from any real world application until the chart is created and a point plotted thereon. This to me is outside the province of 35 U.S.C. § 101.

Going back to the analysis by the Court in *In re Warmerdam*, 33 F.3d at 1360, 31 USPQ2d at 1759, the Court further states that

it is true, particularly with ideas expressed in mathematical form, that if a claim requires more than the manipulation of ideas so that the process described in the claim produces something quite different, then the process might indeed describe statutory subject matter . . . It is the claims which define the metes and bounds of the invention entitled to the protection of the patent system. *Zenith Lab. Inc. v. Bristol-Myers Squibb Co.*, 19 F.3d 1418, 1424, 30 USPQ2d 1285, 1290 (Fed. Cir. 1994).

Here, appellant argues that the claimed "transforming physical medium," which is not disclosed, but assumed to be paper, "into a chart" and "physically plotting a point on said chart" is a physical transformation. I note that the specification as originally filed is silent as to any [*18] "media" beyond being a graphical representation which may be as broad as using a stick in the sand or dirt; pen on a whiteboard or pen/pencil on paper. Appellant cites to the discussion in *State Street Bank* at page 1538 (brief at page 7) concerning *In re Alappat*, 33 F.3d 1526, 31 USPQ2d 1545 (Fed. Cir. 1994) and *Arrhythmia Research Tech. Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1060, 22 USPQ2d 1033, 1039 (Fed. Cir. 1992) wherein there was a physical transformation using the result of the computation. I would distinguish those three cases (*State Street Bank*, *Alappat* and *Arrhythmia*) along with *AT & T* since each of the cases included a disclosed invention which was well grounded in an area of the technological arts (computer, electrical, chemical, biological, mechanical engineering and physics-the physical sciences rather than the social sciences).

Here, I find no such application, involvement, use or advancement of the technological arts in the invention as recited in express language of claim 1 or in the disclosed invention with which to interpret the language of claim 1. While [*19] I realize that a computer may arguably not be required to be disclosed *In re Dossel*, 115 F.3d 942, 946-47, 42 USPQ2d 1881, 1885 (Fed. Cir. 1997) (finding the inferred disclosure of a computer without any express disclosure), appellant has not argued the use of any item or computer with which to practice or apply the claimed process beyond the abstraction of the human mind. Appellant relies solely upon the creation/transformation of the media into a chart and plotting of a point.

While *AT & T* recognizes that a transformation is not a requirement for statutory subject matter and is merely one example of an indica to show the presence of statutory subject matter, the Court stated that "the finding that the claimed process 'transformed' data from one 'form' to another simply confirmed that Arrhythmia's method claims satisfied Section 101 because the mathematical algorithm included within the process was applied to produce a number which had specific meaning--a useful, concrete, tangible result--not a mathematical abstraction." (Citation omitted.) *AT & T* at 1452. Here, the result of the abstract idea does not, in my view, have "specific [*20] meaning" as in *Arrhythmia*, rather is still an abstraction, now recorded as in *In re Schrader*, 22 F.3d 290, 294, 30 USPQ2d 1455, 1458. (See cf. *AT & T* at 1453 (with respect to the lack of helpfulness in determination of a "useful, concrete, tangible result.")) While *AT & T* clarifies that structure need not be present in the claim language for process claims to be directed to statutory subject matter, the Court appears to impliedly weigh that the process is carried out by a network of computers and telephone switches being used in the flow of communications, but here we do not have a similar factual situation.

The Court in **AT & T** stated that "the Alappat inquiry simply requires an examination of the contested claims to see if the claimed subject matter as a whole is a disembodied mathematical concept representing nothing more than a 'law of nature' or an 'abstract idea,' or if the mathematical concept has been reduced to some practical application rendering it 'useful.'" **AT & T** at 1544 (citing *In re Alappat*, 33 F.3d at 1581, 31 USPQ2d at 1557).

In **AT & T** at 1450, the Court [*21] stated that: "this court recently pointed out that any step-by-step process, be it electronic, chemical, or mechanical, involves an 'algorithm' in the broad sense of the term. See *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1374-75, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998), cert. denied, U.S. , 119 S. Ct. 851 (1999)." While I agree with the Court's analysis of an algorithm, the Court assumes that the algorithm is in an "electronic, chemical, or mechanical" based invention which I would find to be more than a mere recordation of the culmination of an abstract idea separate from the "electronic, chemical, or mechanical" technologies as in the present disclosed and claimed invention.

The Court in **AT & T** went on to state that "as this brief review suggests, this court (and its predecessor) has struggled to make our understanding of the scope of Section 101 responsive to the needs of the modern world." (Emphasis added.) **AT & T** at 1450. While I agree that the development of the information era has pushed the envelope of statutory subject matter to embrace [*22] the technological advancement and immense flexibility of the computer software-based inventions, as has the evolution of biotechnology, but here, I find that the claimed invention is not a product of the "modern world" with which the Court has struggled since there is not involvement of the traditional sciences there can be no advancement of the "useful arts" as the Constitution empowered Congress. Therefore, I agree with the majority and would sustain the rejection of claims 1-18 as directed to nonstatutory subject matter. I concur with the majority with respect to their decision with respect to the rejections under 35 U.S.C. § 112 and 103.

With the holding of the above type of claim as statutory subject matter, abstract thought and analysis of any interest would still be available, but once an individual seeks to record their analysis, they would infringe the present claim at issue. I believe that this was not the intent of Congress or the intent of our forefathers who set forth the authority for our patent system in the U.S. Constitution.

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Attachment 2

location, the frequency that a consumer exercises promotions, the demographic characteristics of the individual, the purchase history of the individual, the particular circumstances in the individual's life, the indicated tastes of the individual, and/or other characteristics that can be used to identify that the individual possesses certain traits. The desires of a promoter might also be used to time the provision of a promotion based upon promotions received, and these might be determined using factors such as the amount of money that a promoter might be willing to pay for a certain time and/or type of provision of promotion.

As used herein, the term "promotion" refers to any offer, advertisement, flier, newsletter, incentive, coupon, commercial, recipe, and/or communication for promoting one or more goods and/or services.

As used herein, to "exercise" a promotion refers to any redemption, consumption, employment, application, availment, wielding, exploitation, viewing, use, hearing, and/or reading of a promotion.

As used herein, a "promoter" is any company, manufacturer, distributor, retailer, wholesaler, service provider, individual, and/or any other entity that wishes to provide promotions related to the promoter's product and/or service to consumers.

As used herein, a "provider of promotions" is any company, manufacturer, distributor, retailer, wholesaler, service provider, individual, and/or any other entity that will provide promotions to consumers, or cause promotions to be delivered to consumers.

Although providers of promotions are discussed herein as being separate entities from promoters, this is not necessary to practice the present invention. For example, a single retailer can time the distribution of promotions by the retailer and related to the retailer's own product(s) using the present invention. Thus, the "promoter" and "provider of promotions" need not be separate entities.

BRIEF DESCRIPTION OF THE DRAWINGS

A more complete appreciation of the invention and many of the attendant advantages thereof will be readily obtained as the same become better understood by reference to the following detailed description when considered in connection with the accompanying drawings, wherein:

Attachment 3



promotion

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pro·mo·tion **Pronunciation Key** (prə-mō'shən)
n.

1. The act of promoting or the fact of being promoted; advancement.
2. Encouragement of the progress, growth, or acceptance of something; furtherance.
3. Advertising; publicity.

pro·mo·tion·al *adj.*

pro·mo·tion·al·ly *adv.*

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pro·mo·tion (prə-mō'shən)
n.

The stimulation of the progress or growth of a tumor following initiation by a promoter.

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promotion

n 1: a message issued in behalf of some product or cause or idea or person or institution [syn: publicity, promotional material, packaging] 2: act of raising in rank or position [ant: demotion] 3: encouragement of the progress or growth or acceptance of something [syn: furtherance, advancement] 4: the advancement of some enterprise; "his experience in marketing resulted in the forwarding of his career" [syn: forwarding, furtherance]

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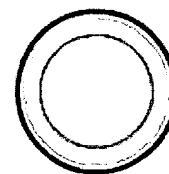
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tion filing in order to eliminate text that is not essential to obtaining a Japanese patent. Claims that will not provide value to the applicant can be cancelled at any time during the life of the Japanese patent to reduce Examination, Issue and/or Annuity fees. In addition, the applicant should give its Japanese patent attorney an opportunity to review and revise the specification before PCT or Paris Convention filings, at least for particularly important inventions, as such review and revision may both reduce the total cost of obtaining the Japanese patent and increase the breadth and strengthen the validity of the claims that ultimately are allowed.

Did You Ever Notice? Official Notice in Rejections*

Lance Leonard Barry**

Jerry Seinfeld, a popular stand-up comedian and television actor, is known for beginning his comedy routines with the question, "Did you ever notice...?"¹ Many Patent Examiners (Examiners) at the United States Patent and Trademark Office (PTO) could answer the question positively. This is because many of them "notice," i.e., take official notice of, well-known facts when composing rejections of claims.

Under the doctrine of official notice, an Examiner need not produce a printed document to prove the existence of a fact that was well known at the time of an invention.² He may instead take official notice as to its existence.³ Taking official notice bypasses the normal process of proof. It relies on facts and opinions not supported by evidence on

* © 1999. All Rights Reserved, Lance Leonard Barry, Esq. The opinions expressed herein are solely the author's and do not necessarily represent the opinions of the United States Patent and Trademark Office (PTO). The author thanks William Watkins, Esq., a Primary Examiner at the PTO, and Robert A. Weinhardt, an Examiner-Trainer at the PTO who also developed courses for the PTO's Patent Academy (Academy), for reviewing a draft of this note.

** The author is an attorney licensed by the Virginia State Bar and the Bar of the District of Columbia. He works as an Electrical Engineering Primary Examiner at the PTO where he also lectures on obviousness at the Academy and developed courses on obviousness for the Academy. The author earned a J.D. degree from the George Mason University School of Law, an M.S. degree in electrical engineering from Johns Hopkins University, and a B.E.E. degree in electrical engineering from The Catholic University of America. Before joining the PTO, he was a Senior (Electrical) Engineer at Booz + Allen & Hamilton.

1 See Dave Katzman, *Did You Ever Notice how People Will Read Anything*, 81 Daily Egyptian Online 107 (Mar. 5, 1996) (<http://www.dailyegyptian.com/spring96/030596/people/read.html>).

2 PTO, *MANUAL OF PATENT EXAMINING PROCEDURE* (M.P.E.P.) § 2144.03 (7th ed., July 1998). The M.P.E.P. has been held to describe "procedures on which the public can rely." *Pallex Corp. v. Mossinghoff*, 758 F.2d 594, 606, 225 USPQ 243, 252, modified, 771 F.2d 480, 226 USPQ 985 (Fed. Cir. 1985); *In re Kaghan*, 387 F.2d 398, 401, 56 USPQ 130, 132 (CCPA 1967); *Ethicon v. Quigg*, 849 F.2d 1422, 1425, 7 USPQ2d 1152, 1154 (Fed. Cir. 1988); *Paperless Accounting v. Bay Area Rapid Transit System*, 804 F.2d 659, 662, 21 USPQ 649, 651 (Fed. Cir. 1986).

3 See *Ex parte Crissy*, 201 USPQ 689, 695 (Bd. Pat. App. & Int. 1976) ("[F]acts... must support the legal conclusion of obviousness under 35 USC 103. Such facts must flow from the prior art either by way of specific reference or by generally known facts of which official notice may be taken." (emphasis added).)

the record.⁴ As such, it is imperative that Examiners and patent attorneys and agents understand the guidance given on the use of official notice to reject claims.

This note aims to increase their understanding in three parts. Part I explains the rationale for official notice. Part II addresses its scope. Part III outlines the use of notice.

I. RATIONALE FOR OFFICIAL NOTICE

As mentioned above, an Examiner need not produce a reference⁵ to prove the existence of a fact well known at the time of an invention.⁶ He may take official notice of its existence.⁷ Administrative efficiency and administrative expertise are two rationales for the doctrine of official notice. These will be explained *separatim*.

Administrative efficiency is one rationale for official notice. Like its courtroom counterpart judicial notice,⁸ official notice derives from the legal maxim *manifesta* [or *notoria*] *non indigent probatione*, i.e., "what is known need not be proved."⁹ The maxim may be traced so far back in civil and canon law that it is probably coeval with legal procedure itself.⁹ Back in 1875, for example, the United States Supreme Court observed that to require proof of every fact "would be utterly and absolutely absurd."¹⁰ Where a fact is known, the process of proving it is "time-consuming and unduly formal."¹¹ When a fact has been proven already, further proof becomes "tiresome, redundant, and lacking in common sense."¹² At times, moreover, even an obvious fact can be difficult or time-consuming to prove, without affecting a result that was never in doubt.¹³

⁴ 2 KENNETH S. BROUN ET AL., MCCORMICK ON EVIDENCE § 359, at 536 (John W. Strong ed., 4th ed. 1992).

⁵ A reference is a patent or other printed document used in the rejection of claim. M.P.E.P. § 904.

⁶ *Id.* at § 2144.03.

⁷ See Crissy, 201 USPQ at 695.

⁸ That matters of common knowledge may be judicially noticed is a doctrine long and well established. *In re Malcomb*, 129 F.2d 529, 553, 54 USPQ 235, 238 (CCPA 1942).

⁹ JAMES BRADLEY THAYER, A PRELIMINARY TREATISE ON EVIDENCE AT COMMON LAW 277 (Boston, Little Brown & Co. 1898).

¹⁰ *Brown v. Piper*, 91 U.S. 37, 42 (1875).

¹¹ BROUN, *supra* note 2, § 359, at 537-38.

¹² *Id.* at 538.

¹³ *Id.*

An Examiner is allotted a limited time to dispose of a patent application¹⁴ and is also directed to bring prosecution of the application to as speedy a conclusion as possible.¹⁵ Official notice empowers the Examiner to use time efficiently to make a speedy and just determination of issues in the application.¹⁶ More specifically, it frees the Examiner from having to spend unnecessary time finding a reference to prove the existence of a fact well known at the time of an invention.¹⁷

Administrative expertise is another rationale for official notice. Administrative agencies were created to allow regulation of matters by persons knowledgeable in the matters.¹⁸ They were also created to serve as repositories of specialized knowledge and experience.¹⁹ It would "defeat [the] existence" of these agencies to force adherence to traditional methods of proof when alternative and equally fair methods are available.²⁰

As an administrative agency, the PTO possesses technical knowledge and expertise in determining the patentability of inventions.²¹ It is a knowledge and expertise that Justice (then Circuit Judge) Stevens admitted generally is not possessed by federal judges.²² In particular, the Examiners of the PTO are highly trained scientists and engineers²³ of the highest-caliber.²⁴ They possess an independent and specialized

¹⁴ Cf. Michael J. Matham, *Strategic Concerns when Pursuing Foreign Patents in The Computer Arts*, THE COMPUTER LAWYER, Mar. 1998, at 17, 25 (noting that the European Patent Office's examiners are "allowed more time to examine each application" than the PTO's Examiners); DAVID PRESSMAN, PATENT IT YOURSELF 13/6 (5th ed. 1996) (noting that Examiners are expected to dispose of a certain number of patent applications).

¹⁵ M.P.E.P. § 706.07. See also PTO, A PATENT AND TRADEMARK OFFICE REVIEW 8-9 (Fiscal Year 1997) (setting a first strategic goal of reducing "patent cycle time").

¹⁶ M.P.E.P. § 904.02.

¹⁷ *Id.* at § 2144.03 ("[T]he examiner should not be obliged to spend time to produce documentary proof").

¹⁸ 4 BASIL J. MEZINES ET AL., ADMINISTRATIVE LAW § 25.01 (1980).

¹⁹ BROUN, *supra* note 2, § 359, at 538.

²⁰ *Id.*

²¹ Plastic Container Corp. v. Continental Plastics of Okla., Inc., 708 F.2d 1554, 1557, 219 USPQ 26, 28 (10th Cir. 1983).

²² Chicago Ravitide Mfg. Co. v. Crane Packing Co., 523 F.2d 452, 458, 187 USPQ 540, 545 (7th Cir. 1975). See also Nat'l Bus. Systems, Inc. v. AM Int'l, Inc., 743 F.2d 1227, 1232, 223 USPQ 1011, 1014 (7th Cir. 1984) ("The courts generally defer to the technical expertise possessed by the [PTO] in originally issuing a patent. This expertise and corresponding judicial deference are the practical underpinnings of the statutory presumption of validity surrounding patents."); Aqua-Chem, Inc. v. Baldwin-Lima-Hamilton Corp., 67 USPQ 257, 261 (N.D. Ill. 1970) ("The [PTO] has developed a certain amount of technical expertise which most judges lack.")

²³ PTO, *Patent Examiner Positions*, § 1 (last modified July 1, 1998) (<http://www.uspto.gov/web/offices/ac/ai/ptpa/obrf/ptpmain/exam.htm#org>).

²⁴ See PTO, *supra* note 15, at 8.

technical expertise.²⁵ Such expertise is seldom possessed by a reviewing court.²⁶ Official notice permits the Examiners to use fully their expertise in adjudicating the patentability of discoveries of inventors throughout the world.²⁷

II. SCOPE OF OFFICIAL NOTICE

Official notice typically is employed to supplement or clarify a reference, i.e., to justify or explain an inference drawn from it. A fact so noticed serves to fill gaps that might exist in other evidence cited to support a rejection.²⁸ A noticed fact usually is not employed as the principal evidence for a rejection.²⁹

Like judicial notice, official notice may be taken of a fact of "wide notoriety,"³⁰ e.g., a fact commonly known by laymen everywhere.³¹ *In re Howard*³² provides a prototypical example of a widely notorious fact. *Howard* involved the patentability of claims specifying a method of pricing merchandise. The method reduced the amount of manual handling of merchandise stocked and displayed in a retail grocery store.³³

²⁵ *In re Ahlert*, 424 F.2d 1088, 1092, 165 USPQ 418, 421 (CCPA 1970). See also *Semiconductor Energy Laboratory Co. v. Samsung Elec. Co.*, 46 USPQ2d 1874, 1877 n.6 (E.D. Va. 1998) ("Examiners are skilled in the art insofar as they are technically competent to understand information and references in some technical or scientific field . . ."); *Creative Indus. Inc. v. Mobil Chem. Corp.*, 13 USPQ2d 1534, 1537 (N.D. Ill. 1989) ("The patent examiner, of course, possessed the technical expertise necessary to understand the prior art as well as the subject matter of patent applications within his area of responsibility."); *Rixon, Inc. v. Racal-Milgo, Inc.*, 551 F.Supp. 163, 174, 217 USPQ 941, 950 (D. Del. 1982) ("The patent examiner had the . . . reference and technical expertise to evaluate it").

²⁶ *In re Wiesbert*, 370 F.2d 977, 952, 152 USPQ 247, 266 (CCPA 1967) (Smith, J., dissenting).
²⁷ PTO, *supra* note 23, ¶ 1.

²⁸ *In re Ahlert*, 424 F.2d 1088, 1092, 165 USPQ 418, 421 (CCPA 1970). *Ahlert* uses the expression "judicial notice" rather than official notice. Technically speaking, judicial notice is for a court while official notice is for an administrative agency. Robert Muir, *The Utilization of Both Judicial Notice and Official Notice by Administrative Agencies*, 16 AD. L. REV. 333, 334 (1964). It is common—albeit obfuscating—to refer to the taking of official notice by an Examiner as judicial notice. See, e.g., PETER D. ROSENBERG, *PATENT LAW FUNDAMENTALS* § 15.06[2] (2d ed. 1995) ("Official notice taken of matters beyond the record is referred to as 'judicial notice.'"); *Irish Tech.*, 159, 195 (1996) ("if an Examiner does not specifically cite prior art references but uses judicial notice").

²⁹ *Ahlert*, 424 F.2d at 1092, 165 USPQ at 421. But see *In re Howard*, 394 F.2d 869, 157 USPQ 615 (CCPA 1968) (using judicial notice, in the words of a concurring opinion, "to find that a system exists which anticipates that of the application or is so nearly like it as to make the application an obvious variation").

³⁰ *In re Howard*, 394 F.2d 869, 870, 157 USPQ 615, 616 (CCPA 1968).

³¹ Cf. 29 AM. JUR. 2d *Evidence* § 33 (1994) ("A fact might qualify for judicial notice because it is common knowledge everywhere. The basic appearance of a snowman, for example, is common knowledge.").

³² 394 F.2d 869, 157 USPQ 615.

³³ *Id.* at 869-70, 157 USPQ at 615-16.

In affirming a rejection of the claims, the United States Court of Customs and Patent Appeals (CCPA)³⁴ took notice of the retailing practice of listing goods for sale by code along with the price of each. This practice helped a sales clerk to learn the amount to charge a customer purchasing the goods.³⁵ The CCPA observed that the practice related back to the "proverbial country merchant" who has his present-day counterpart in the supermarket cashier who tapes a price list of advertised "specials" to his cash register.³⁶ The court also noted the deluge of mail order catalogs that list merchandise by code along with its price, which "common observation cannot escape," as further evidence of the wide notoriety of the retailing practice.³⁷

*In re For*³⁸ offers another example of a widely notorious fact. *Fox* involved the patentability of claims specifying a method for distributing audio information. The method employed conventional equipment to make a master tape-recording of a lecture. The master recording was transmitted to a distribution point such as a school library. At the library copies of the master were made for persons wishing to listen to the lecture on their own equipment at their own convenience. When finished listening to a taped copy, a person could return the copy to have a new lecture reproduced thereon from another master tape-recording at the library. This new reproduction would, of course, entail erasing the recording already on the tape.³⁹

In affirming a rejection of the claims, the PTO's Board of Appeals (Board)⁴⁰ took official notice and the CCPA took judicial notice of "the fact that tape recorders commonly erase tape automatically when new 'audio information' is recorded on a tape which already has a recording on it."⁴¹ This fact is notorious. Consumers recording over a prerecorded video tape or audio tape-recording take it for granted that the original recording will be erased during the new recording.⁴²

³⁴ The CCPA was the predecessor of the United States Court of Appeals for the Federal Circuit (Federal Circuit) in reviewing patentability appeals from the PTO. *Lance Leonard Barry, Precedent for Ex Parte Patent Prosecution*, 78 J. PAT. & TRADEMARK OFF. SOC'Y 841, 844-45 (1996).

³⁵ *Howard*, 394 F.2d at 870, 157 USPQ at 616.

³⁶ *Id.* at 870-71, 157 USPQ at 616.

³⁷ *Id.*, 157 USPQ at 616.

³⁸ 471 F.2d 1405, 176 USPQ 340 (CCPA 1973).

³⁹ *Id.* at 1405, 176 USPQ at 340.

⁴⁰ The Board of Appeals was the forerunner of the Board of Patent Appeals and Interferences in reviewing patentability appeals from the decision of a Primary Examiner within the PTO. *Barry, supra* note 34, at 853.

⁴¹ 471 F.2d at 1407, 176 USPQ at 341.

⁴² Like the CCPA, the Federal Circuit also has taken notice of widely notorious facts in its review of decisions on patentability. *In re Raynes*, 7 F.3d 1037, 28 USPQ2d 1630 (Fed. Cir. 1993).

Attachment 4 Page 3 of 6

Unlike judicial notice,⁴³ official notice may be taken not only of a fact that is widely notorious but also of a fact that is capable of "instant and unquestionable demonstration."⁴⁴ *In re Ahlert*⁴⁵ provides an archetypical example of an instant and unquestionably demonstrable fact. *Ahlert* involved the patentability of claims specifying a technique for controlling the rate of cooling a weld between two sections of railroad rail. The technique produced a tough, crack-free weld having reduced internal stresses.⁴⁶

In affirming an Examiner's rejection of the claims, the Board took notice that it was common practice in the art of welding to postheat a weld after completing the corresponding welding operation. It also officially noticed the practice in the art of adjusting the intensity of a flame according to heat requirements.⁴⁷ On appeal, the applicant contested the propriety of the Board's notice, urging that the facts were "...not so notorious and well known that any court would be justified in taking judicial notice thereof."⁴⁸ The CCPA was not persuaded. It upheld the right to take official notice of facts that "while not generally notorious, are capable of such instant and unquestionable demonstration as to defy dispute."⁴⁹

*In re Perkins*⁵⁰ offers another example of an instant and unquestionably demonstrable fact.⁵¹ *Perkins* involved the patentability of claims specifying an alloy containing tantalum and titanium. Addition

provides an example of a widely notorious fact noticed by the court. In affirming a rejection of claims specifying an interactive automobile service station, the Federal Circuit took judicial notice of the "ubiquitous" use of video to display programming information and other information. *Id.* at 1040, 28 USPQ2d at 1632. The fact is notorious. Laymen frequently consult video screens for the arrival and departure times of trains or airplanes, for weather reports, or for stock quotes. See also *In re Wright*, 866 F.2d 422, 426, 9 USPQ2d 1649, 1652 (Fed. Cir. 1989) (taking notice of the "widespread" use of "carbonless paper" in manifold business forms).

⁴³ Official notice is broader than judicial notice. Any matter capable of being judicially noticed also is capable of being officially noticed. The converse is not true. Officially noticed matters do not necessarily fall into categories that bring them within the confines of judicial notice. *MEZINES*, *supra* note 18, § 25.01, at n.4.

⁴⁴ *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970) (confusingly using the expression "judicial notice" rather than "official notice").

⁴⁵ 424 F.2d 1088, 165 USPQ 418 (CCPA 1970).

⁴⁶ *Id.* at 1089, 165 USPQ at 418-19.

⁴⁷ *Id.* at 1090, 165 USPQ at 420.

⁴⁸ *Id.* at 1091, 165 USPQ at 420.

⁴⁹ *Id.* at 1091, 165 USPQ at 420.

⁵⁰ 346 F.2d 981, 146 USPQ 63 (CCPA 1965).

⁵¹ There is room for reasonable minds to disagree over whether a particular fact is widely notorious or instantly and unquestionably demonstrable.

of titanium to tantalum produced improvements over the properties of unalloyed tantalum.⁵²

In affirming a rejection of the claims, the Board took notice that for many years tantalum had been worked into sheet and wire form and used for its corrosion resistance in the chemical industry.⁵³ The CCPA accepted this notice and affirmed the Board's decision.⁵⁴ Admittedly, this fact is not widely notorious. Many laymen do not know what tantalum is...not to mention its uses and properties. The fact, however, is instantly and unquestionably demonstrable by one of ordinary skill in the art.

The scope of official notice is not as broad as it might appear at first. The CCPA warned that it would construe narrowly the scope of facts that may be noticed and the conclusions that may be drawn from the facts.⁵⁵ *In re Spormann*⁵⁶ provides an example of this narrow construction. *Spormann* concerned the patentability of claims specifying a process for producing solid alkali metal sulfites from alkali metal hydroxides or carbonates. The process involved "spraying the latter, in an aqueous solution, into a dry gas containing sulfur dioxide, the temperature and humidity of the gas being such as to immediately vaporize the water to the end that very little sulfate is produced."⁵⁷

In affirming a rejection of the claims, the Board appeared to take notice that spray drying was an old expedient for obtaining a solute in dry form.⁵⁸ The CCPA reversed the rejection. "While we have heard of spray drying," the court commented, "it is not a technique of which we would feel free to take judicial notice."⁵⁹ The CCPA added "if the Patent Office⁶⁰ wishes to rely on what 'Those familiar with spray drying would know,' it must produce some reference showing what such knowledge consists of."⁶¹

Accordingly, an Examiner should exercise care in deciding whether a fact is amenable to official notice. He should not take notice

⁵² *Perkins*, 346 F.2d at 982, 146 USPQ at 64.

⁵³ *Id.* at 984, 146 USPQ at 66.

⁵⁴ *Id.* 146 USPQ at 66.

⁵⁵ *In re Pardo*, 684 F.2d 912, 917, 214 USPQ 673, 677 (CCPA 1982); *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970). But cf. *In re Howard*, 394 F.2d 869, 872, 157 USPQ 615 (CCPA 1968) (Kirkpatrick, J., concurring) (observing that "the limits of judicial notice, particularly in patent cases, are expanding and the field of notice is now pretty broad.").

⁵⁶ 363 F.2d 444, 447, 150 USPQ 449, 452 (CCPA 1966).

⁵⁷ *Id.* at 444, 150 USPQ at 449 (emphasis omitted).

⁵⁸ *Id.* at 447, 150 USPQ at 452.

⁵⁹ *Id.* 150 USPQ at 452.

⁶⁰ Before 1975, the PTO was known as the Patent Office. Barry, *supra* note 34, at 845 n.35.

⁶¹ 363 F.2d at 447, 150 USPQ at 452.

of a fact normally subject to the possibility of rational disagreement among reasonable men.⁶² Facts constituting the state of the art, for example, are in this category.⁶³ If the Examiner has a "reasonable doubt" whether a fact may be noticed, he should not take notice of it.⁶⁴

III. USE OF OFFICIAL NOTICE

The CCPA has required that an applicant for a patent be "amply apprised" of a taking of official notice.⁶⁵ Accordingly, an Examiner should make clear when and for what he is relying on notice. The former can be accomplished by including the expression "official notice is taken" in an Office action.⁶⁶ The latter can be accomplished by mapping the exact and complete language of a pending claim to a noticed fact.⁶⁷

An Examiner bears the initial burden of presenting a *prima facie* conclusion of obviousness.⁶⁸ Although official notice relieves the Examiner from producing a reference to prove the existence of a well known fact,⁶⁹ it does not free him from the other requirements for establishing a *prima facie* conclusion.⁷⁰ Among these requirements are

⁶² *In re Eynde*, 480 F.2d 1364, 1370; 178 USPQ 470, 474 (CCPA 1973); *In re Barr*, 444 F.2d 588, 591 n.5, 170 USPQ 330, 334 n.5 (CCPA 1971).

⁶³ *Eynde*, 480 F.2d at 1370, 178 USPQ at 474. Also in this category is "the skill of a person or ordinary skill in either computer programming or design in 1970," which was held to be not a proper subject for notice in 1982. *In re Pardo*, 684 F.2d 912, 917, 214 USPQ 673, 677 (CCPA 1982).

⁶⁴ *Cf. Brown v. Piper*, 91 U.S. 37, 42-43 (1875) (regarding judicial notice).

⁶⁵ *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 421 (CCPA 1970).

⁶⁶ See PTO, TECHNOLOGY CTR. 2700, WORKGROUP 2760 TRAINING MANUAL 4-8 to 4-9, 4-11 (Sept. 25, 1998). An Office action is an official, written communication from the PTO to an applicant or his attorney that raises some objection, requirement, or rejection and includes a concise explanation of the reasons therefor. The Office action may also indicate any allowable subject matter. PETER D. ROSENBERG, PATENT LAW FUNDAMENTALS § 15.03[1] (2d ed. 1998 rev.).

⁶⁷ *Cf. LANCE LEONARD BARRY ET AL.*, OBVIOUSNESS UNDER 35 U.S.C. 103, BASIC STUDENT'S MANUAL 27 (Aug. 4, 1998) (instructing an Examiner to use "the complete and exact language of the claims" when writing a rejection).

⁶⁸ *In re Piasochi*, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). A *prima facie* case of obviousness is established when the teachings from the prior art itself would appear to have suggested the claimed subject matter to a person of ordinary skill in the art. *In re Ruehart*, 531 F.2d 1048, 1051, 189 USPQ 143, 147 (CCPA 1976). If the Examiner does not make a *prima facie* case, an applicant is under no obligation to submit evidence of nonobviousness. *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). Once the Examiner does produce a *prima facie* case, the burden of going forward with evidence shifts to the applicant. Piasochi, 745 F.2d at 1471-72, 223 USPQ at 788.

⁶⁹ M.P.E.P. § 2144.03.

⁷⁰ *Ex parte Grochowski*, No. 95-1343, at 5 (Bd. Pat. App. & Int. June 27, 1995) (observing "that just because elements are old and well known in the art does not render their combination obvious *per se*").

employing analogous art and identifying a suggestion for combining teachings. These requirements will be explained *seriatim*.

To qualify as prior art for obviousness, art must be analogous, i.e., in the field of an applicant's endeavor or reasonably pertinent to the particular problem with which the applicant was concerned.⁷¹ When writing a rejection employing official notice an Examiner should state that a fact being noticed was well known *in an analogous art* and should name the art.⁷² The Examiner should also state that the fact was well known at the time of the invention, i.e., at the time the patent application was filed.⁷³

Once it has been shown that a noticed fact could have been used because it was known in an analogous art, a suggestion, i.e., a motivation, must be shown for its proposed use. The suggestion must be based on more than the mere existence of the noticed fact.⁷⁴ The prior art as a whole must have contained something to suggest the "desirability" of using the noticed fact to modify a prior art reference.⁷⁵ An Examiner accordingly must explain a suggestion for employing the noticed fact in a rejection.⁷⁶

When the decision of an administrative agency such as the PTO rests on official notice of a fact, a party is entitled to challenge the notice.⁷⁷ If an applicant for a patent does not "seasonably" traverse a fact officially noticed during examination, it becomes an admission of prior art.⁷⁸ A seasonable challenge is "a demand for evidence made as

⁷¹ *In re Oetiker*, 977 F.2d 1443, 1447, 24 USPQ2d 1443, 1445 (Fed. Cir. 1992); *In re Wood*, 599 F.2d 1032, 1036, 202 USPQ 171, 174 (CCPA 1979).

⁷² See, e.g., *Lucerne Prods., Inc. v. Outler-Hammer, Inc.*, 568 F.2d 784, 798, 195 USPQ 472, 481 (6th Cir. 1977) (taking notice of the fact that the principles of earming, pivoting and bridging were well known "in the mechanical arts").

⁷³ The appellant of *In re Lewis*, 96 F.2d 1009, 37 USPQ 786 (CCPA 1938), argued that the Board's expression that a broadcasting practice was "now well known in the art" should be construed to mean that the practice was known at the time the Board wrote its opinion. The CCPA declined to do so. The court instead interpreted the expression as meaning that the practice was known at the time the appellant's application was filed. *Id.* at 1011, 37 USPQ at 788. It is better to preclude such an argument by stating that a fact was well known at the time of the invention. ⁷⁴ *Grochowski*, No. 95-1343, at 5.

⁷⁵ *Linderman Maschinenfabrik GmbH v. American Host and Derrick Co.*, 730 F.2d 1452, 1462, 221 USPQ 481, 488 (Fed. Cir. 1984).

⁷⁶ *Cf. BARRY*, *supra* note 67, at 27 (instructing an Examiner to explain a suggestion/motivation for modifying references used in a rejection).

⁷⁷ See Administrative Procedure Act, 5 U.S.C. § 556(c) (1996).

⁷⁸ M.P.E.P. § 2144.03. *Cf. In re Gunther*, 125 F.2d 1020, 1023, 52 USPQ 465, 468 (CCPA 1942) (accepting a statement by an Examiner of what was well known in the art because an applicant failed to challenge the statement "before the Patent Office."); *In re Chevevard*, 139 F.2d 711, 713, 60 USPQ 239, 241 (CCPA 1943) (refusing to consider an appellant's statement in his brief because *inter alia* the appellant failed to demand that an Examiner produce authority for his statement); *In re Lundberg*, 244 F.2d 543, 551, 113 USPQ 530, 537 (CCPA 1957) ("[T]he board

soon as practicable during prosecution.⁷⁹ An applicant is charged with rebutting a taking of notice in the response to the Office action in which the notice was taken.⁸⁰

A challenge may take the form of a demand for evidence that a noticed fact was well known.⁸¹ If an applicant demands such evidence, an Examiner should cite a reference showing the fact in the next Office action.⁸² Such a citation is unnecessary if the applicant does not challenge the notice.⁸³ If the reference is cited *only* as evidence of the prior official notice, its addition does not amount to a new ground of rejection.⁸⁴ Barring any other impediments to finality,⁸⁵ the Office action may be made final.⁸⁶

CONCLUSION

This note sought to increase understanding of official notice in three parts. The first part explained that the rationale for official notice was twofold. Notice helps an Examiner use his limited time efficiently and permits him to rely on his scientific or engineering expertise. The second part addressed the scope of official notice. It explained that the Examiner may take notice of a fact that is widely notorious or is instantly and unquestionably demonstrable.

It stated that the use of feedback members in electrical circuits [was] well known. Appellants have failed to question the accuracy of the statement, and did not present any evidence to contradict it. Therefore we are constrained to accept it as true.⁷⁹

79 M.P.E.P. § 2144.03.
80 *Id.*

81 *Id.* The CCPA has stated that a challenge to notice taken by the Board must contain adequate information or argument to create on its face a reasonable doubt about the propriety of the notice. *In re Boon*, 439 F.2d 724, 728, 169 USPQ 231, 234 (CCPA 1971). At least one patent practitioner, moreover, has advised that an applicant challenging notice taken by an Examiner should include affidavit evidence by a person skilled in the specific art relating to the patent application. DONNER, *supra* note 28, at 195.

82 M.P.E.P. § 2144.03.

83 *In re Sim*, 31 USPQ2d 1451, 1454 (Fed. Cir. 1993).

84 *See Boon*, 439 F.2d at 727-28, 169 USPQ at 234.

85 A second or subsequent Office actions on the merits shall be final unless an Examiner has introduced a new ground of rejection that is neither necessitated by an applicant's amendment of claims nor based on information submitted in an information disclosure statement (IDS) filed during the period set forth in 37 C.F.R. § 1.97(c). Where information is submitted in an IDS during the period, the Examiner may use the information submitted and still make the next Office action final regardless of whether the claims have been amended, provided that he introduces no other new ground of rejection that was not necessitated by amendment to the claims. A second or subsequent action on the merits in any application will not be made final, furthermore, if it includes a rejection on newly cited art, other than information submitted in an IDS filed under § 1.97(c), of any claims not amended by the applicant regardless of the fact that other claims may have been amended to require newly cited art. M.P.E.P. § 706.07(a).

86 *Id.* at § 2144.03; *see also* PTO, *supra* note 66, at 4-8.

The third part outlined the use of official notice. It explained that the Examiner should make clear when and for what he is relying on notice. He should also ensure that a noticed fact was well known in an analogous art and that a suggestion existed for using it. The third part also explained that in response to an applicant's seasonable challenge of the taking of notice, the Examiner should cite a reference showing the noticed fact in the next Office action. Barring any other impediments to finality, the Examiner should still make the action final. Armed with the knowledge provided in this note Examiners should have a greater understanding of when and how to use official notice... and a new insight into the comedy of Jerry Seinfeld!